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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of )  
)  
THE COMMISSIONER OF BUSINESS )  
OVERSIGHT, )  
)  
Complainant, )  
v. )  
)  
LONNIE L. DUSENBERRY )  
)  
Respondent. )

ORDER BARRING LONNIE L.  
DUSENBERRY FROM ANY POSITION  
OF EMPLOYMENT, MANAGEMENT OR  
CONTROL OF ANY BROKER-DEALER  
OR INVESTMENT ADVISER

1  
2 TO: Lonnie L. Dusenberry  
3 10270 E. Taron Dr., #61  
4 Elk Grove, CA 95757

5 On June 18, 2013, then California Corporations Commissioner, now known as the  
6 Commissioner of Business Oversight<sup>1</sup> ("Commissioner") brought an action to permanently bar  
7 Lonnie L. Dusenberry, CRD#3084887 from any position of employment, management or control of  
8 any broker-dealer or investment adviser pursuant to Corporations Code section 25213. At relevant  
9 times, Dusenberry was a broker-dealer agent employed by Edward Jones, a broker-dealer registered  
10 in California with a place of business in Manteca, California.

11 Dusenberry entered into an Acceptance, Waiver and Consent with the Financial Industry  
12 Regulatory Authority ("FINRA") whereby he consented to a permanent bar from the securities  
13 industry. In that proceeding, Dusenberry consented to factual findings that he borrowed \$742,500  
14 from various firm customers in violation of his firm's procedures; that, in several instances, he used  
15 the proceeds of one loan to repay an earlier loan from a different customer; that he failed to repay a  
16 total of approximately \$500,000 to his customers; and that on several occasions, Dusenberry, without  
17 consent, signed a customer's name on letters of authorization to transfer money from one customer's  
18 accounts to another customer's accounts.

19 Corporations Code section 25213 provides, in pertinent part:

20 The commissioner may, after appropriate notice and opportunity for hearing,  
21 by order censure, or suspend for a period not exceeding 12 months, or deny or bar  
22 from any position of employment, management or control of any broker-dealer or  
23 investment adviser. . . any officer, director, partner, agent, employee of . . . a broker-  
24 dealer, or any other person if the commissioner finds that the . . . denial or bar is in the  
25 public interest and the person committed any act or omission enumerated in  
26 subdivision (a), (e), (f) or (g) of Section 25212 . . . or is enjoined from any act, conduct  
27 or practice specified in subdivision (c) of Section 25212 or is subject to any order  
28 specified in subdivision (d) of section 25212.

1 The action by the Commissioner proceeded under subdivisions (d) and (e) of Corporations  
2 Code section 25212, both of which are included in section 25213 as grounds for barring an agent.  
3 Those subdivisions provide as follows:

4 The commissioner may, after appropriate notice and opportunity for  
5 hearing, by order censure, deny a certificate to, suspend for a period not  
6 exceeding 12 months or revoke the certificate of, any broker-dealer if the  
7 commissioner finds that the censure, denial, suspension, or revocation is in  
8 the public interest and that the broker-dealer, whether prior or subsequent  
9 to becoming a broker-dealer, or any partner, officer, director, or branch  
10 manager of the broker-dealer, whether prior or subsequent to becoming  
11 associated with the broker-dealer, or any person directly or indirectly  
12 controlling the broker-dealer, whether prior or subsequent to becoming  
13 such, or any agent employed by the broker-dealer while so employed has  
14 done any of the following: . . .

11 (d) Is or has been subject to... (2) any order of any national securities  
12 association or national securities exchange (registered under the Securities  
13 Exchange Act of 1934) suspending or expelling that person from  
14 membership in the association or exchange or from association with any  
15 member thereof....

15 (e) Has willfully violated any provision of the Securities Act of 1933, the  
16 Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the  
17 Commodity Exchange Act, or **Title 4 (commencing with Section 25000)**... or  
18 of any rule or regulation under any of those statutes, or any order of the  
19 commissioner which is or has been necessary for the protection of any investor.  
(Emphasis ours.)

19 As described in Paragraph 4, above, Respondent Dusenberry is subject to an order of a  
20 national securities association (FINRA) suspending him or expelling him from membership, one of  
21 the grounds set forth in subdivision (d) of section 25212, and is therefore subject to being barred by  
22 the Commissioner under section 25213.

23 Corporations Code section 25218 provides as follows:

24 No broker-dealer licensed under this chapter shall effect  
25 any transaction in, or induce or attempt to induce the purchase or  
26 sale of, any security in this state in contravention of such rules as  
27 the commissioner may prescribe designed to promote just and  
equitable principles of trade, to provide safeguards against

28 <sup>1</sup> See Corporations Code section 25005 amended by Governor's Reorganization Plan No. 2 of 2011-12, §35, effective July 3, 2012 and operative July 1, 2013.

unreasonable profits or unreasonable rates of commissions or other charges, and in general to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market.

California Code of Regulations, title 10, section 260.218 (a rule promulgated by the Commissioner under section 25218) provides as follows:

Each broker-dealer and each agent employed by such a broker-dealer shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of such person's business.

By engaging in the activity described in Paragraph 4, above, Dusenberry failed to observe high standards of commercial honor and just and equitable principles of trade in the conduct of his business. He thereby willfully committed violations of section 25218 and 10 CCR § 260.218. These are willful violations of Title 4 (the Corporate Securities Law under which agents are regulated), and constitute further grounds for a bar under section 25213.

On or about June 19, 2013, the Commissioner served Respondent at his last known address by certified mail to 10270 E. Taron Drive, #61, Elk Grove, CA 95757 with the following documents:

1. Cover letter dated June 19, 2013;
2. Notice of Intent to Issue Bar Order;
3. Accusation;
4. Statement to Respondent;
5. Government Code sections 11507.5, 11507.6 and 11507.7; and
6. Notice of Defense [Blank].

GOOD CAUSE APPEARING THEREFORE, IT IS ORDERED that Respondent Lonnie L. Dusenberry is permanently barred from any position of employment, management or control of any broker-dealer or investment adviser pursuant to Corporations Code section 25213.

Dated: December 11, 2014  
San Francisco, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By: \_\_\_\_\_  
MARY ANN SMITH

Deputy Commissioner  
Enforcement Division

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